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Financing of the United Nations Preventive Deployment Force

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General, containing the financial performance of the United Nations Preventive Deployment Force (UNPREDEP) for the period from 1 July 1998 to 30 June 1999 (A/54/740). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided the Committee with additional information and clarifications.

2. The Committee points out that the report under consideration is a final performance report for UNPREDEP and a report on the disposition of the mission's assets will be submitted to the General Assembly as soon as possible.

3. Following the termination of the mandate of the Force on 28 February 1999, the General Assembly, by its resolution 53/29 B of 8 June 1999, reduced the appropriation of $50,053,745 gross provided for the same period by its resolutions 52/245 of 26 June 1998 and 53/20 A of 2 November 1998 to the amount of $43,062,700 gross.

4. The Advisory Committee was informed, upon enquiry, that the financial situation of UNPREDEP was as follows:

(a) Total unliquidated obligations as at 17 February 2000: $36.7 million;

(b) Amounts in accounts payable as at 17 February 2000: $18.7 million;

(c) Cash as at 14 February 2000: $62.5 million;

(d) Unpaid assessments as at 31 January 2000: $10.9 million.

5. As indicated in the performance report, expenditures for the period from 1 July 1998 to 30 June 1999 amount to $41,901,000 gross, resulting in an unencumbered balance of $1,161,700 gross. According to the Secretary-General, the unencumbered balance resulted mainly from lower costs of troop rotation and rapid liquidation of the mission during the period from March to June 1999. The Committee notes that the expenditure of $41.9 million gross does not include, however, an amount of $904,000 required for reimbursing a Government for the rotation of its troops during the prior period from May 1996 to June 1998. Upon enquiry, the Committee was informed that, although the related funds for the troop rotation were requested by the Secretary-General in paragraph 3, annex II.C to his report contained in document A/53/437/Add.1, and were subsequently authorized by the General Assembly, the related obligations have never been raised owing to an oversight.

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6. As can be seen from section III, paragraph 9, table 1, of the report of the Secretary-General contained in document A/54/740, the unencumbered balance of $1,161,700 reflects the fact that savings of $934,700 under "military personnel", $428,400 under "civilian personnel", $5,900, under "other programmes" and $57,400, under "staff assessment" were partially offset by an over-expenditure of $264,700 under "operational requirements". Annex II to the same report contains supplementary information on the variances; the Committee notes from paragraphs 9, 10 and 11 therein, that considerable funds were spent on refurbishment of the mission's equipment.

7. Upon enquiry, the Advisory Committee was informed that, pursuant to paragraph 9 of General Assembly resolution 52/1 B of 26 June 1998, requirements of UNPREDEP for the refurbishment of equipment shipped to the United Nations Logistics Base at Brindisi, which had the total residual value of $3,809,150, were estimated at $1,142,745; no provision was made in the mission's budget for the refurbishment. **The Committee requests that future budget documents for peacekeeping operations fully disclose the rationale and methodology for financing the refurbishment at the United Nations Logistics Base at Brindisi of equipment of those missions which are being liquidated.**

8. The Advisory Committee was informed, upon enquiry, that resources provided for the liquidation of UNPREDEP are sufficient and that all phases of the liquidation would be completed by 30 June 2000. Moreover, the Committee was informed that the liquidation team of UNPREDEP composed of two Professional (1 P-5 and 1 P-2) and three General Service staff performed the liquidation activities during the period from 1 July to 15 October 1999; all residual liquidation activities thereafter and until 30 June 2000 will be performed by staff of the Department of Peacekeeping Operations at Headquarters. The Advisory Committee recalls, in this connection, that the Secretary-General had indicated in his report (A/53/812/Add.1) that the liquidation period of UNPREDEP would last three-and-one-half months, namely, from 1 July to 15 October 1999.

9. The Advisory Committee points out in this connection that, **as of the date of the termination of the mission's mandate on 28 February 1999, the liquidation activities for UNPREDEP will have taken approximately 16 months for a force of 1,050 troops, 35 military observers, 26 civilian police and 203 civilian staff. The Committee acknowledges that the period of liquidation is not necessarily a function of the size of a mission. It is also related to adequate planning, resource allocation and to the efficiency with which liquidation activities are carried out. The Committee points out that as more missions are liquidated, the Department of Peacekeeping Operations takes on more residual liquidation activities. It is essential, therefore, that the Department review its capacity in this area so that undue delays are not experienced in the final phase of the liquidation of missions.**

10. The action to be taken by the General Assembly in connection with the performance report for UNPREDEP is indicated in section IV, paragraph 11, of the report of the Secretary-General (A/54/740). **The Advisory Committee recommends that the General Assembly accept the Secretary-General's proposal to retain the amount of $904,000 from the unencumbered balance of a total of $1,161,700 for the period from 1 July 1998 to 30 June 1999 to cover the costs of outstanding claims from a Government for the rotation of its troops during the prior period. The Committee recommends further that the remaining unencumbered balance of $257,700 gross ($200,300 net) for the period from 1 July 1998 to 30 June 1999 be credited to Member States in a manner to be decided by the General Assembly.**